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January 31, 2002

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Honorable Philip N. Asprodites
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
James Lime, RA
Bracky Branch Field
Red River Parish, Louisiana

Dear Sir:

On behalf of MARATHON OIL COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Lime Formation, Reservoir A, in the Bracky Branch Field, Red River Parish, Louisiana:

1. To establish rules and regulations and to create five (5) drilling and production units (to be designated as JAMES RA SUA through JAMES RA SUE) for the James Lime, Reservoir A, in the Bracky Branch Field, Red River Parish, Louisiana, as shown on the plat attached hereto.
2. To force, pool and integrate all separately owned tracts, mineral leases, and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Marathon Oil Company as unit operator of the proposed JAMES RA SUA.
4. To designate the Marathon Oil Company-McCoy No. 1 Well as the unit well for the proposed JAMES RA SUA.
5. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., shall not apply to horizontal wells drilled to the James Lime, Reservoir A, but that all such wells shall be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum

sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing waste.

6. To provide for special field spacing rules for any future horizontal well drilled to the James Lime, Reservoir A, in the Bracky Branch Field, which would provide (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located closer than 330 feet to any unit boundary, (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet, (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet, and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforesaid provisions.
7. To provide that the Commissioner of conservation shall be authorized to reclassify the James Lime, Reservoir A, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.
8. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The James Lime, Reservoir A, in the Bracky Branch Field, Red River Parish, Louisiana, is hereby defined as that gas and condensate bearing interval between the electric log measured depths of 5653 feet (5530' TVD) and 6103 feet (5828 TVD) in the Marathon Oil Company-McCoy No. 1 Well located in Section 16, Township 13 North, Range 9 West, Red River Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of Marathon Oil Company, 909 E. SE Loop 323, Suite 500, Tyler, Texas 75701. Any person wishing to inspect such data should call Mr. Rich Henderson (903) 509-5544 during normal business hours or write Mr. Henderson at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this application, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure. The Applicant will also arrange for mailing, posting and publication of the legal notice of this hearing in accordance with the Rules of Procedure.

Honorable Philip N. Asprodites

January 31, 2002

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By Pre-Application Notice dated January 14, 2002, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference was held.

A check in the amount of \$700.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

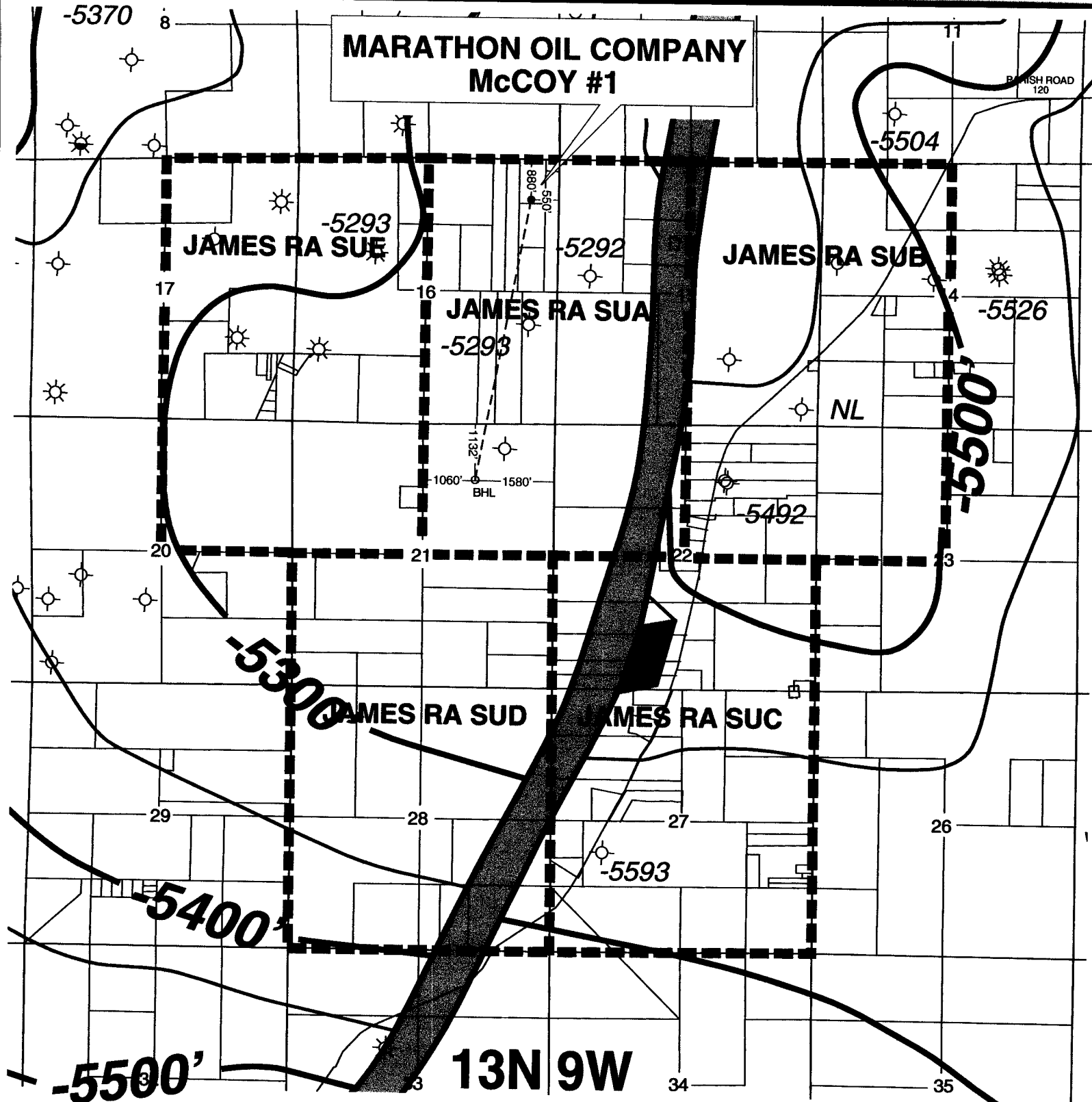
BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 
Wm. Timothy Allen III
Attorneys for Marathon Oil Company

WTAIII/cmd
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager, Office of Conservation
(w/encl)

Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)



MARATHON OIL COMPANY
BRACKY BRANCH FIELD
 RED RIVER PARISH, LOUISIANA
**T/JAMES LIME
 STRUCTURE MAP**

EXHIBIT NO. 2
 DOCKET NO.

JAN. 2002